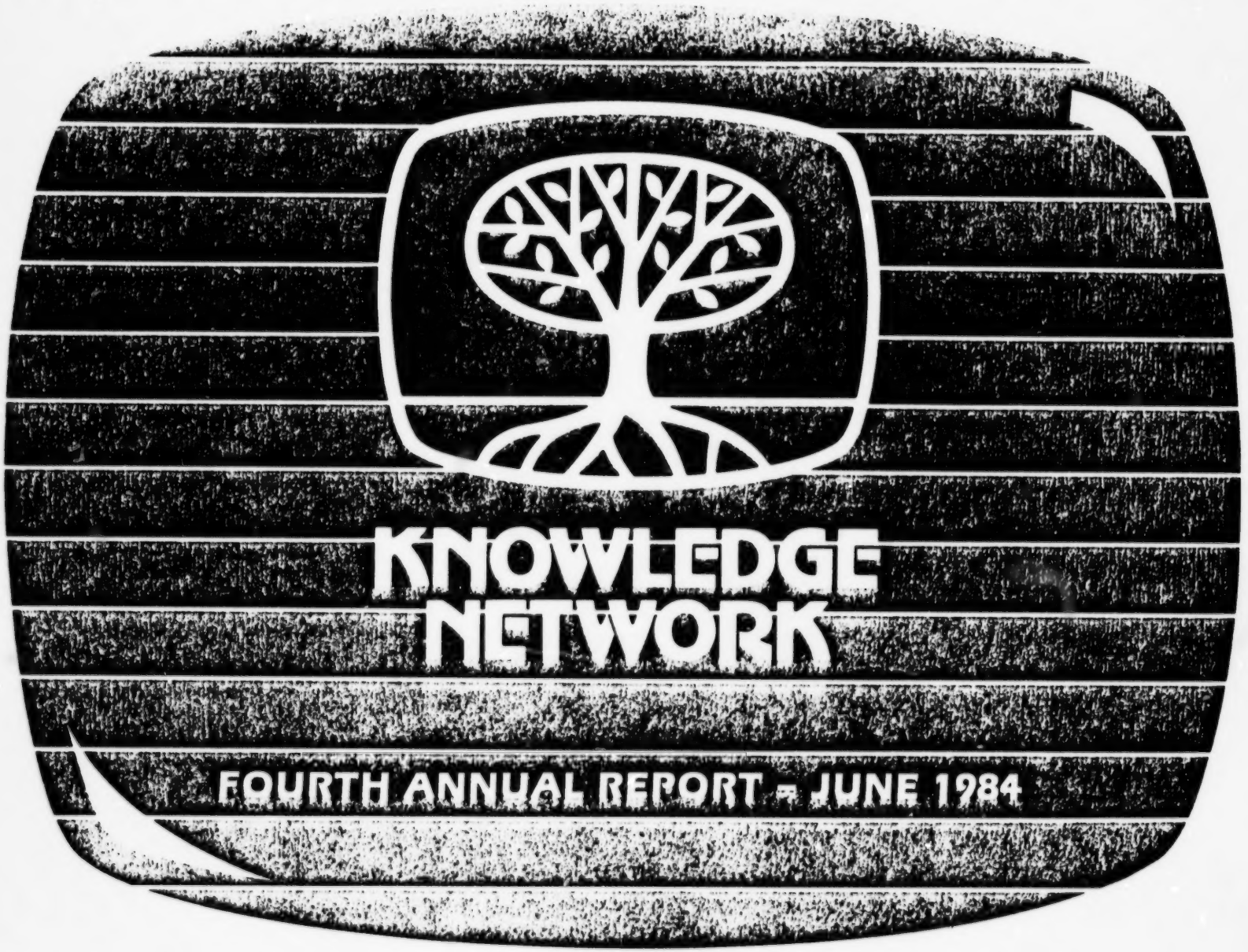

KNOWLEDGE
NETWORK
FOURTH ANNUAL REPORT - JUNE 1984

The Knowledge Network is made possible by grants received from the Province of British Columbia.

The Honourable Patrick L. McGeer,
Minister of Universities, Science and Communications,
Parliament Buildings,
Victoria, B.C.

Dear Dr. McGeer,

On behalf of the Board of Directors, it is my honour and pleasure to present the fourth Annual Report of the Knowledge Network of the West Communications Authority.

Yours truly,

Walter G. Hardwick,
Chairman and President

CHAIRMAN'S REPORT

"We created an electronic classroom where everyone, wherever they live in this province can take part . . ."

In its third year of operations, The Knowledge Network reached out into more communities and offered more learning opportunities to more people than ever before. From the 49th parallel to the Arctic coast and from the Queen Charlotte Islands to the prairies, more and more people were introduced to telecourses and enjoyed the Network's wide variety of programming.

Our growing audiences reflect the acceptance of learning at *home* and at *work*. Increasing audiences also reflect the Network's effective utilization of satellite technology in bringing education to people throughout the province, regardless of distance or geography.

Nowhere were the Network's achievements more obvious than at "Eurocast 84," an international conference and exhibition of satellite and cable communications systems held in Basel, Switzerland. Canadian representatives – the Knowledge Network among them – made superb presentations. At Basel, it became obvious that the Knowledge Network operates a type of satellite educational television system that is found nowhere else in the world. Others now look to us for innovation and technical expertise. Our skills will help take other jurisdictions into a future that we, in British Columbia, are already experiencing.

The Network owes its success to much more than technology. Our success is people. I would like to thank the Honourable Pat McGeer, the minister through which the Network reports, for his continued interest and support. The Network's far-sighted policies are set by a Board of Directors drawn from education, the telecommunications industry and the provincial government. Board members guide a skilled and dedicated staff of men and women who routinely surpass their own ambitious objectives. It is these people who provide what is truly a one-of-a-kind television service.

Walter G. Hardwick.

WALTER G. HARDWICK,
CHAIRMAN AND PRESIDENT

"Hundreds of thousands of people watch the Network every week . . . people are committed to learning."

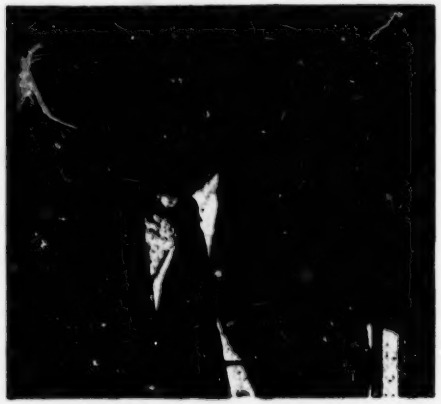
BOARD OF DIRECTORS

CHARLES W. BREWSTER,
PRINCIPAL, CARIBOO COLLEGE

The Knowledge Network makes it possible for colleges to offer educational opportunities that never existed for those who live outside the Lower Mainland. For Cariboo College, it means new flexibility and an expanded curriculum. Charles Brewster's experience as a college principal allows him to assist the Network's Board of Directors in assessing the needs of educational institutions, and in formulating effective educational programming.

• "If we look at what our college has done over the past few years and is attempting to do now, I think that we are trying to reach out in ways that we never did before . . . and the Knowledge Network was a leading edge of that."

CARL DANELIUK,
ASSISTANT DEPUTY MINISTER, MINISTRY OF EDUCATION



Carl Daneliuk focuses his energies on a number of educational concerns, including the utilization of the Knowledge Network to educate the *educators*.

"The inservice needs of teachers . . . I think this is where the Network can service the public school sector exceedingly well. A better informed teacher quite clearly performs much better with the class . . ."

Like the other board members, Carl Daneliuk's concerns include those of the general public.

"The public is saying the Knowledge Network is doing a good job and should continue to provide the kind of programming it has provided. They're also saying they want different kinds of programming. We need to put fresh material before the public."

JOHN R. FLEMING,
ASSISTANT DEPUTY MINISTER, MINISTRY OF EDUCATION

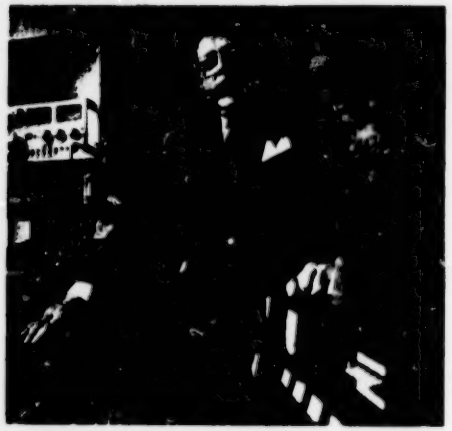
"The biggest benefit we saw was the opportunity for every British Columbian, regardless of where they lived, to participate in post-secondary courses both formally and informally . . ."

As a founding member of the Knowledge Network Board of Directors, John Fleming was among those who formulated the Network's initial goals. Since then he has seen the promise of the Knowledge Network fulfilled through the combined efforts of personnel at the Network and educational facilities.

". . . it's become a province-wide educational experience going on in twelve or fourteen institutions simultaneously, with full media backup and support being supplied by the Network and the opportunity for those students to participate in their own home setting . . ."

DON M.E. HAMILTON,

PRESIDENT, GENERAL COMMUNICATIONS CORPORATION



Don Hamilton brings the insights of the professional broadcaster to the Board of Directors. Keenly aware of what other networks offer, Don Hamilton emphasizes the special significance of the Knowledge Network's *general* programming.

• "I think our objectives – while strongly educational in nature – continue to be to provide an alternate to conventional television . . . to provide a different set of tastes and different set of values than we see on conventional networks."

Don Hamilton brings to the board an appreciation of the high standards to which all broadcasters must strive.

"The industry appraises the Knowledge Network as now being thoroughly professional . . . they're very, very complimentary."

RONALD R. JEFFELS,

PRINCIPAL, OPEN LEARNING INSTITUTE

As an educator and board member, Ron Jeffels helps foster a spirit of co-operation and co-ordination between the Network and educational institutions. The educational advantages are obvious.

". . . you have every one of the sixteen colleges and most of the institutes espousing the material of the Knowledge Network, and by that I mean registering students in credit courses."

The co-operation that board members like Ron Jeffels encourage has an important economic benefit.

"We're beginning to detect a great desire for liaison, collaboration and co-operation among all elements of education in this province. I think there is a new mood . . . largely brought about by difficult days. It is incumbent upon the professionals in the field to use the resources made available by the people of British Columbia as usefully as possible."

HAROLD J. PAGE,

ASSISTANT DEPUTY MINISTER, MINISTRY OF UNIVERSITIES, SCIENCE AND COMMUNICATIONS

Harold Page's engineering background provides the board with an appreciation of the *technical* side of Network operations.

"What we're able to do with the Knowledge Network is deliver the programs out into the remote part of the province that just wouldn't have been possible otherwise . . . with satellite technology coming on the scene, it just opened up a whole new vista entirely."

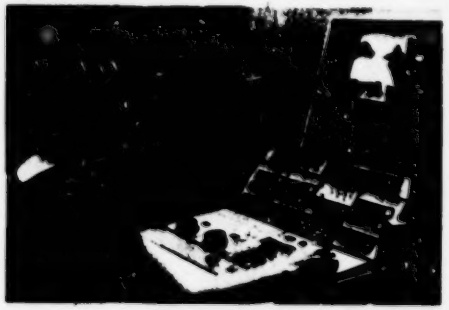
Harold Page is encouraged by the energetic efforts of communities around the province to bring the Knowledge Network to their areas. Response to the grants under the Program for Educational and Entertainment Television Services has been gratifying.

"There's a lot of time and effort and talent that gets put in by local people. It's one of the things that is really heart warming to people in positions such as mine."

FOCUS ON

COMMITMENT

Students are committed to learning through the Knowledge Network. There is a commitment on the other side of the television screen as well; a commitment by Knowledge Network technical and programming staff to provide the highest quality programs for students throughout British Columbia.



"I knew I had to get more education in order to get a job that paid more than what I was earning . . .

"I think if you have children or not much money, it (Knowledge Network) is the best way . . . if you really want to, you can do it."

Amelia Alvarez , Winner, Safeway promotion. Graduate, Grade 12 equivalent, Vancouver

FOCUS ON
NETWORK SERVICES

DAVID W. ROACH
EXECUTIVE DIRECTOR, NETWORK SERVICES

As the Knowledge Network entered its third year of operation, Network Services concentrated its efforts in two areas. We improved existing services both technically and creatively, and developed new, unique television learning opportunities. In addition, the Network continued to expand its coverage area. Today, one hundred and ninety communities receive the Knowledge Network, an increase of 36% over the previous year.

COMMUNITY INVOLVEMENT

Not only did Network Services assist in bringing education to people, but, the very nature of our programs brought people themselves together. For example, through local educational institutions, groups and individuals learned life-saving Cardio-pulmonary Resuscitation via the Network's CPR series. In shopping malls, recreation centres, community halls and homes, over three thousand people registered and watched the CPR series produced in part by the Justice Institute and Vancouver City College. Many local groups organized practical sessions to support the televised programs.

EDUCATIONAL PROMOTION

By actively *promoting* the enjoyment of learning, Network Services encourages viewers to become students. Commodore Computers became a promotional partner, offering attractive micro-computer incentives for computer telecourse enrolment.

The benefits? Colleges increased enrolments. Commodore reached a new, knowledgeable market. Years after leaving school, people begin to learn again. For some, enrolment in a telecourse will be the first step that leads to a university degree. Many television students now realize that they can achieve goals they thought were beyond their reach.

PROFESSIONAL ASSISTANCE

Network Services personnel continued to improve the *quality* of programs. We worked closely with live programmers. Many found the "electronic" classroom a new challenge. By assisting them in their program preparation and presentation, we helped make television teaching – and learning – more effective.

"We are trying . . . to allow British Columbians to understand that learning is OK . . . that it is easy to learn."

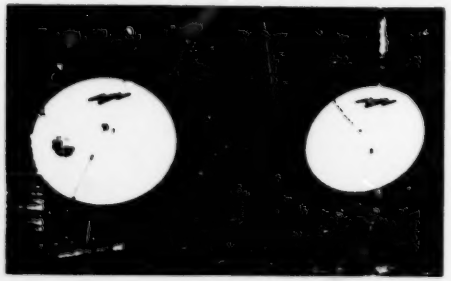
David Roach (R) with President Walter Hardwick and Executive Director, Learning Systems Kathleen Forsythe: making television work better for teachers and viewers.

FOCUS ON VIEWERS

"It wasn't difficult, really, to organize the (satellite television) association because I think everyone in Salmon Arm felt much the same way, that it was long past due . . .

"We applied for a PEETS grant in May, 1981. By January 26th, 1982, we were on the air and it was great. Since we have had the Knowledge Network, we have seen it grow and evolve and it's becoming a very, very good network."

Eileen Presler, Salmon Arm.



"The course that I took in home gardening . . . I don't know where I could have taken such a course without going to Vancouver. There is no other method within the confines of Sorrento that one could get this information without the availability of the Knowledge Network."

William Parsh, Sorrento

"Getting the public involved, getting them something that's widely accessible like the Knowledge Network . . . was a great asset. We found that having it available in a mall situation where people could just drop by, sit down and watch the entire program and then go home and take the practical was another asset.

Jane Blad, CPR Instructor, Penticton.

"Many, many retired people are the same as me. They want to go on and improve their education and gain more knowledge, so why not? Anyone who's not interested in improving themselves or investigating things surely is dead. I mean, everybody's got it on!"

Richard Forty, Oliver.
"Bits And Bytes" Commodore Computer winner

FOCUS ON

LEARNING SYSTEMS

KATHLEEN FORSYTHE,
EXECUTIVE DIRECTOR, LEARNING SYSTEMS

Most of us do, indeed, "learn something new every day." Most learning takes place *outside* the structure of the school classroom or university lecture hall. Learning can take place *anywhere* at *anytime*; on the job, in the home or even more informally, among friends. The "anywhere, anytime" factor is one of the guiding principles of the Knowledge Network. "Learning Systems" is the term used to describe the gathering together of resources to facilitate learning.

PROVIDING THE RESOURCES

In the past year, much of our efforts have been focused on improving the quality of learning resources and making them more accessible. One important emphasis has been the further involvement of educational institutions, especially in the preparation of programming for specific audiences. Our Learning Systems Working Groups, composed of educators and Network Staff, concentrated on increasing the involvement of educational institutions; initiating air scheduling policies, assisting the development of on-camera instructors and helping to establish Learning Centres throughout the province.

MEETING THE DEMAND

Demands for learning are growing, but financial resources are dwindling. Allocation of resources is the key to meeting the demand. Telecourse video cassettes and Network feeds to colleges become extremely beneficial to institutions and their students.

Twenty-five hundred students in 15 colleges enrolled in the computer telecourse, "Bits And Bytes." The demand was there, and we were able to meet it, quickly and cost-effectively. Television need not be a medium of isolation. A telecourse sponsored by The Vancouver School of Theology brought together over 1,000 students in 110 discussion groups in over 60 communities.

". . . we believe that children should be able to use their imaginations . . . you should have a wide variety of programming that is very imaginative."

". . . it's more than a television program. It's the people that help you in the local community . . . the institutions . . . books and study guides . . ."

GENERAL PROGRAMMING DEVELOPMENT

The Knowledge Network reflects everyday life in that viewers can learn formally (for academic accreditation) or informally. Last year we began developments in the informal areas of preschool children and family programming.

The Knowledge Network will continue to reflect all facets and all methods of learning, and to communicate to people all over the province that learning can be easy and joyful.

FOCUS ON STUDENTS

"Well, I thought it was as important to find out about computers as it was to find out about health . . . this is *the* revolution – the high tech revolution – of our time. Sure I'm a Senior, but I've still got enough wits about me to want to know.

"They (Knowledge Network) never insult my intelligence. They never give me shoddy goods. They give me the best they've got."

Mrs. E. Birney, Vancouver

"It (Knowledge Network) has given me much more than a new skill. That's really secondary, because it opened up some more possibilities for me. I started to think about myself in different terms; not just being a wife and mother and working part time, but the possibility of my developing a new career . . ."

Gail Chase, Summerland

"It introduced me to a whole new field . . . I'll be able to spend more time with computers with a better understanding of what I'm doing.

"The support from the community college was readily available. The tutors were members of the college; they kept in touch. They conducted a Saturday seminar . . . which I found very interesting and informative."

Bill Davison, Kelowna

"I knew that everything you would see on the Knowledge Network I could let the children watch. I didn't have to worry about it . . . it was OK . . . which I can't say for any of the other channels."

Sharon Auld, Kelowna

FOCUS ON

EDUCATIONAL INSTITUTIONS

JOHN R. FLEMING
ASSISTANT DEPUTY MINISTER, MINISTRY OF EDUCATION

"The role of colleges and universities is vital. They provide the credentials, they provide the resources, they provide the backup and to a large degree, they develop the programming."

BILL CHRISTENSEN,
OKANAGAN COLLEGE, KELOWNA

"We are aware that we're not able to deliver all the courses we need to at all the campuses that we have throughout the Okanagan Valley. It's our plan to use distance education as a way of . . . supplementing the regular course offering . . .

"The Knowledge Network is providing a very important means of delivering courses to people who . . . are not able to take courses in the traditional way . . . they're holding down full-time jobs, maybe they're on shift work and not able to commit themselves to attending an institution . . . The Knowledge Network provides a very flexible means for those people to get an education."

COLLEGES

Camosun College
Capilano College
Cariboo College
College of New Caledonia
Douglas College
East Kootenay Community College
Fraser Valley College
Kwantlen College
Malaspina College
North Island College
Northern Lights College
Northwest Community College
Okanagan College
Selkirk College
Vancouver Community College

INSTITUTES

British Columbia Institute of Technology
Emily Carr College of Art and Design
Justice Institute of British Columbia
Open Learning Institute
Pacific Vocational Institute

UNIVERSITIES

Simon Fraser University
University of British Columbia
University of Victoria

SCHOOL DISTRICTS

Burnaby School District
Quesnel School District

FOCUS ON

FINANCE AND BUSINESS SERVICES

ENA BRANNAN,
EXECUTIVE DIRECTOR, FINANCE AND BUSINESS SERVICES

The year ending March 31st, 1984, was a culmination of "Phase One," a period of intensive developmental activity and major achievement. Within those first three years, the new Network established both its physical facilities and its operations and program policies.

A BALANCED BUDGET

At the time of the Network's inception, economic conditions were more buoyant than they are today. Since then, world-wide recession has become a factor in all our lives. At the Knowledge Network, we considered restraint a challenge: could we maintain our high standards? Could we accomplish more within our modest budget? In spite of economic reversals, long-range objectives have been met, along with the more immediate goals of the past year. One of the year's most important goals – a balanced budget – was also achieved.

OVERVIEW OF EXPENDITURES

The "start up" period of a television network is extremely capital intensive. The purchase and installation of electronic equipment is a major investment. However, as forecasted, capital expenditures have been reduced each year thereafter. Significantly, operating expenses have remained fairly constant, a testimony to the flexibility and individual initiatives of directors and production personnel.

As anticipated, programming expenditures have increased slightly, reflecting the Network's commitment to provide new and quality programs for those sectors in which the Network has prime responsibility.

The size of the Knowledge Network's staff is a modest one, compared to those of other provinces' Networks. Thirty-eight personnel make the network the fine telecommunications system it has become. Through staff committees, these people are responsible, in a major way, for keeping expenditures "on target."

PHASE TWO

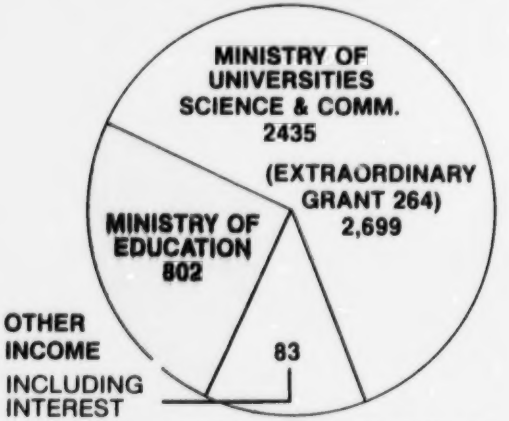
Over the last three years, it has become clear that our operation is unique. Would other countries be interested in establishing a "Knowledge Network" operation of their own?

The answer is an unqualified "yes." International marketing of the Knowledge Network concept and services began at Eurocast 84, in Basel, Switzerland. Over 40,000 people from 26 countries saw what the world's telecommunications representatives had to offer. None offered a package like the Knowledge Network. The future will be exciting and rewarding, not only within the boundaries of British Columbia, but on a world-wide scale.

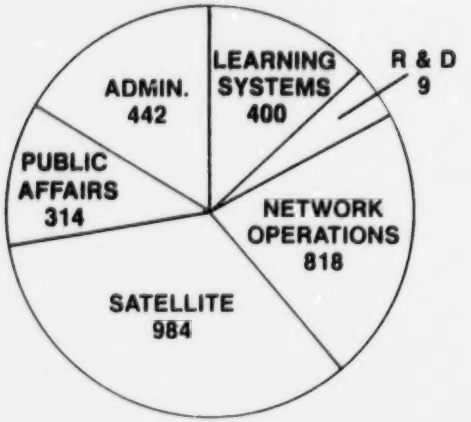
THREE YEAR EXPENDITURES COMPARISON BY PERCENTAGE

FISCAL YEAR ENDING MARCH 31, 1984

REVENUE (IN 1000'S)



NON-CAPITAL EXPENDITURES (IN 1000'S)



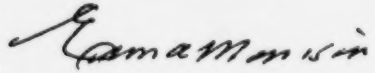
AUDITOR'S REPORT

To the Chairman and Members of the Board of the Knowledge Network of the West Communications Authority, and

To the Minister of Universities, Science and Communications Province of British Columbia:

I have examined the *non-consolidated balance sheet* of *Knowledge Network* of the West Communications Authority as at 31 March 1984 and the non-consolidated statements of revenue, expenditure and accumulated balance, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these non-consolidated financial statements present fairly the financial position of the Authority as at 31 March 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles except that they are prepared on a non-consolidated basis, as explained in note 1 (a) to the financial statements, applied on a basis consistent with that of the preceding year.



Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia 22 May 1984

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

NON-CONSOLIDATED BALANCE SHEET

As at 31 March 1984

ASSETS

	1984	1983
Current assets		
Cash and short-term deposits	$ 594,366	$1,012,546
Grants receivable	214,598	–
Accounts receivable	8,813	19,693
Interest receivable	3,535	3,923
Prepaid expenses	99,139	–
	920,451	1,036,162
Investment and advances (Note 2)	2,403,961	2,436,769
Fixed assets (Note 3)	1,413,954	1,253,349
	$4,738,366	**$4,726,280**

LIABILITIES AND ACCUMULATED BALANCE

Current liabilities		
Accounts payable and accrued liabilities	$ 129,122	$ 142,057
Accumulated balance	4,609,244	4,584,223
	$4,738,366	**$4,726,280**

The accompanying notes are an integral part of these financial statements.
Approved by the Board

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

NON-CONSOLIDATED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED BALANCE

For the year ended 31 March 1984

	1984	1983
Revenue		
Grants - Province of British Columbia (Note 4)	$3,501,710	$2,952,920
Grants - Other	5,000	—
Interest	47,679	272,189
User fees	18,287	30,550
Miscellaneous revenue	11,600	—
	3,584,276	3,255,659
Expenditure		
Administration	442,393	401,549
Depreciation	518,564	398,253
Learning systems	399,995	366,596
Network operations	818,449	719,094
Public affairs	314,166	284,974
Research and development	8,544	52,669
Satellite	983,551	365,625
	3,485,662	2,588,760
Excess of revenue over expenditure in Authority	98,614	666,899
Deficit of subsidiary for the year	(73,593)	(11,596)
Excess of revenue over expenditure	25,021	655,303
Accumulated balance, beginning of year	4,584,223	3,928,920
Accumulated balance, end of year	**$4,609,244**	**$4,584,223**

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

NON-CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION *For the year ended 31 March 1984*

	1984	1983
Funds derived from:		
Excess of revenue over expenditure	$ 25,021	$ 655,303
Charges not affecting current funds:		
Depreciation	518,564	398,253
Deficit of subsidiary	73,593	11,596
	617,178	1,065,152
Funds applied to:		
Purchase of fixed assets	679,169	655,425
Advance to subsidiary	25,000	80,000
Advance to Discovery Satellite Network Incorporated	15,785	—
	719,954	735,425
Increase (decrease) in working capital	(102,776)	329,727
Working capital, beginning of year	894,105	564,378
Working capital, end of year	**$791,329**	**$ 894,105**

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS *For the year ended 31 March 1984*

1. ***Significant accounting policies***

a) Consolidation

These financial statements have been prepared for management purposes only. The Authority's investment in its wholly-owned subsidiary, Knowledge-West Communications Corporation is accounted for in these financial statements on an equity basis. Consolidated financial statements have been prepared and reported on separately.

b) Fixed assets and depreciation

The Authority records fixed assets at cost and depreciates them using the straight line method over their estimated useful life as follows:

Furniture and equipment	10% per annum
Earth stations	20% per annum
Leasehold improvements	20% per annum
Network equipment	20% per annum
Programs	20% per annum
Tapes	20% per annum
License agreements	Life of the respective agreement

2. ***Investment and advances***

a) The Authority owns all of the issued and fully paid shares of Knowledge-West Communications Corporation. Details of the investment accounted for on an equity basis are as follows:

	1984	1983
Shares	$ 3,965	$ 3,965
Advances	2,488,035	2,463,035
Accumulated deficit	(103,824)	(30,231)
	2,388,176	**2,436,769**
b) Advance to Discovery Satellite Network Incorporated	15,785	—
	$2,403,961	**$2,436,769**

3. ***Fixed assets***

	Cost	Accumulated Depreciation	1984 Net Book Value	1983 Net Book Value
Furniture and equipment	$ 214,873	$ 41,777	$ 173,096	$ 105,197
Earth stations	84,130	66,113	18,017	34,844
Leasehold improvements	202,357	111,935	90,422	130,893
Network equipment	1,212,204	552,045	660,159	580,923
Programs	44,252	35,273	8,979	17,829
Tapes	166,597	66,766	99,831	79,031
License agreements	647,450	284,000	363,450	304,632
	$2,571,863	**$1,157,909**	**$1,413,954**	**$1,253,349**

4. ***Grants – Province of British Columbia***

Grants were provided for the following purposes.

	1984	1983
Operating	$3,237,112	$2,562,920
Interior programming	125,000	40,000
Contingency holdback	89,598	
Non-metropolitan programs	50,000	350,000
	$3,501,710	**$2,952,920**

5. ***Commitments***

Commitments for the purchase of fixed assets amounted to $118,000 at 31 March 1984.

6. ***Comparative figures***

Certain 1983 figures have been restated in order to conform with financial statement presentation adopted in 1984.

FOCUS ON

KNOWLEDGE-WEST COMMUNICATIONS CORPORATION

One of the original objectives of the Knowledge Network was the establishment of closed-circuit telecommunications systems, intended for target audiences. In the past year, the first of those systems - a closed circuit cable service in Vancouver - became operational on a demonstration basis.

Through the cable service owned and operated by Knowledge West Communications Corporation, video, audio and data channels are made available to key educational institutions and the five Lower Mainland teaching hospitals. The system's many channels are utilized for valuable tele-education, tele-health, tele-training and tele-conferencing services.

Throughout British Columbia there are hundreds of people in medical, legal and other specialized fields, who need to communicate among themselves, face-to-face, in confidentiality. Hundreds of miles sometimes separate these groups or individuals. Even in the era prior to restraint, the cost of transportation and accommodation for many of these groups was prohibitive. Often, busy schedules make important, but time-consuming travel impossible.

However, material carried on the cable system can be distributed by satellite, in complete confidentiality, to any point in British Columbia; reducing the need for time-consuming travel. The benefits are obvious. The television medium allows groups and individuals in remote areas to interact with each other in their own locations, to exchange information, discuss plans or problems and to facilitate training.

Time- and money-saving communications are being provided in the metropolitan areas. Through Knowledge West, we have the potential to meet those demands province-wide. That is the challenge of 1985!

KNOWLEDGE WEST

AUDITOR'S REPORT

To the Chairman and Members of the Board of Knowledge-West Communications Corporation, and

To the Minister of Universities, Science and Communications Province of British Columbia:

I have examined the *balance sheet* of *Knowledge-West* Communications Corporation as at 31 March 1984 and the statements of revenue, expenditure and deficit, and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 March 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
22 May 1984

KNOWLEDGE-WEST COMMUNICATIONS CORPORATION

BALANCE SHEET *As at 31 March 1984*

	1984	1983
ASSETS		
Current assets		
Cash and short-term deposits	$ 406,030	$ 853,995
Interest receivable	91	1,043
	406,121	855,038
Investment in joint venture (Note 1)	1,948,016	1,787,629
Fixed assets (Note 2)	81,089	45,386
	$2,435,226	**$2,688,053**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable	$ 39,992	$ —
Holdback payable	7,058	251,284
	47,050	251,284
Advance from Knowledge Network of the West Communications Authority	2,488,035	2,463,035
	2,535,085	2,714,319
Shareholder's equity		
Capital		
Authorized		
Class A - 1000 voting shares, par value $1		
Class B - 1000 voting shares, par value $1		
Class C - 4,000,000 non-voting shares without par value		
Issued and fully paid		
Class A - 1000 shares $1,000		
Class B - 1000 shares 1,000		
Class C - 1,965,000 shares 1,965	3,965	3,965
Deficit	(103,824)	(30,231)
	(99,859)	(26,266)
	$2,435,226	**$2,688,053**

The accompanying notes are an integral part of these financial statements.
Approved by the Board

KNOWLEDGE-WEST COMMUNICATIONS CORPORATION

STATEMENT OF REVENUE, EXPENDITURE AND DEFICIT *For the year ended 31 March 1984*

	1984	1983
Revenue		
Interest	$54,747	$193,641
Expenditure		
Depreciation	11,347	11,346
Interest paid to parent	—	171,193
Legal	973	355
Miscellaneous	57,961	22,339
	70,281	205,233
Excess of expenditure over revenue in Corporation	15,534	11,592
Share of deficit in joint venture for the year	58,059	4
Excess of expenditure over revenue	73,593	11,596
Deficit, beginning of year	30,231	18,635
Deficit, end of year	**$103,824**	**$ 30,231**

KNOWLEDGE-WEST COMMUNICATIONS CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION *For the year ended 31 March 1984*

	1984	1983
Funds derived from:		
Advance from Knowledge Network of the West Communications Authority	$ 25,000	$ 80,000
Funds applied to:		
Excess of expenditure over revenue	73,593	11,596
Charges not affecting current funds:		
Depreciation	(11,347)	(11,346)
Share of deficit in joint venture	(58,059)	(4)
	4,187	246
Purchase of fixed assets	47,050	56,732
Investment in joint venture	218,446	1,238,738
	269,683	1,295,716
Decrease in working capital	244,683	1,215,716
Working capital, beginning of period	603,754	1,819,470
Working capital, end of period	**$359,071**	**$ 603,754**

KNOWLEDGE-WEST COMMUNICATIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1984

1. ***Investment in joint venture***

The Corporation has entered into a joint venture, Knowledge-West Partnership, with Premier Communications Limited to construct and operate an educational telecommunications network. The Corporation contributes 60% of the cable plant costs and 100% of the equipment costs. Details of the investment in the joint venture accounted for on an equity basis are as follows:

	1984	1983
Investment	$2,006,079	$1,787,633
Accumulated deficit	58,063	4
	$1,948,016	**$1,787,629**

2. ***Fixed assets***

	Cost	Accumulated Depreciation	1984 Net Book Value	1983 Net Book Value
Network Equipment	**$103,782**	**$22,693**	**$81,089**	**$45,386**

The Corporation records fixed assets at cost and depreciates them using the straight line method over their estimated useful life - Network Equipment 20% per annum.

3. ***Commitments***

Commitments for capital expenditures, authorized but not contracted for, amounted to $108,000 at 31 March 1984.

CORPORATE INFORMATION

EXECUTIVE OFFICES

Box 3200
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TELEX: 049-7491

Operations Centre

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V6T 1W5
(604) 224-6511
TELEX: 045-4226

Bankers

Bank of Montreal

Auditor

Auditor General for British Columbia

CHAIRMAN AND PRESIDENT

Dr. Walter G. Hardwick

TREASURER

John R. Fleming

SECRETARY

David W. Roach

OFFICERS

Ena Brannan
Executive Director,
Finance and Business Services

Kathleen Forsythe,
Executive Director,
Learning Systems

David W. Roach
Executive Director,
Network Services

KNOWLEDGE NETWORK

MANDATE

The Knowledge Network was established in 1980. Its three primary mandates are:

- To establish, maintain and operate a telecommunications network for the educational institutions.
- To co-operate and collaborate with the educational institutions in the delivery of educational opportunities.
- To foster, stimulate and participate in the development of high quality learning systems.

POOR

QUALITY

ORIGINAL